

# Minutes

## Bar Harbor Town Council

November 18, 2008

- I. **CALL TO ORDER** – 7:00 P.M. – In attendance were Councilors: Ruth Eveland, Robert Garland, Sandy McFarland, Julia Schloss, and Greg Veilleux.; and Town Manager Dana Reed.
  - A. **Excused Absence** – Mr. McFarland, with second by Mr. Veilleux, moved to excuse Paul Paradis and Robert Jordan as provided by Town Charter section C-12.B(1)(d). Motion passed 5-0
- II. **APPROVAL OF MINUTES:**
  - A. **October 21, 2008 – Special Meeting** – Ms. Schloss, with second by Mr. Veilleux moved to approve the minutes of October 21, 2008 special meeting as presented. Motion passed 5-0.
  - B. **October 21, 2008 – Regular Meeting** Ms. Schloss, with second by Mr. Veilleux moved to approve the minutes of October 21, 2008 regular meeting as presented. Motion passed 5-0.
- III. **ADOPTION OF AGENDA** – Mr. Veilleux, with second by Ms. Schloss , moved to adopt the agenda as presented. Motion passed 5-0.
- IV. **FINANCIAL STATEMENTS:** - Following brief comments, Mr. Veilleux, with second by Ms. Schloss moved to accept and file the FY2009 - October 31, 2008 four month results financial statement as presented in the Finance Director's memo. Motion passed 5-0.
- V. **PUBLIC HEARINGS:**
  - A. **General Assistance Ordinance** – *Public hearing on and possible adoption of an ordinance amendment to Chapter 102 for the annual revision of maximum benefit levels, Appendixes A, B, and C pursuant to 22 MRSA §4305(4).* – There being no public comments, Mr. Veilleux with second by Ms. Schloss moved the adoption of an ordinance amendment to Chapter 102 for the annual revision of maximum benefit levels, Appendixes A, B, and C pursuant to 22 MRSA §4305(4). Motion passed 5-0.
  - B. **Water Rate Increase** –*Public hearing with presentation by Steve Levy, of the Maine Rural Water Association explaining the increase in the water rates proposed to go into effect January 1, 2009. This public hearing opened the thirty-day window in which customers can petition the Maine Public Utilities Commission for a review of the rate case.*

Mr. Levy first read the statement required by PUC regulations. Mr. Levy reported that many towns are seeing a 20% increase in their costs and rates post-Katrina. He went on to explain that the water facilities in many of these towns are over 100 years old and noted that Bar Harbor's last rate increase was back in 2007. He indicated that the proposed increase of 17.5% does not qualify Bar Harbor for grant funding because the Town's present rates are too low. A portion of the proposed increase is due to installing new radio-read water meters to enhance efficiencies and that the PUC requires the meters to be replaced every 8 years.

Two townspeople spoke. Mr. Tom Ingram indicated that he would like to see the increase done on an incremental basis rather than all at once. Mr. Robert Phipps questioned the Council and PUC asking them how they could assist the older resident or those on fixed incomes. He further commented that he would like to see a larger percentage of the proposed increase passed on to the commercial sector rather than to residential customers.

The response from Chip Reeves was that the new meters were a higher tech design which would allow town employees to remotely access and record the reading; thus eliminating errors and speeding up the process of billing. Mr. Reed also responded that the increase would take place in January 2009, but that it would be 2011 before another increase could be made, so the annual increase, while still high, was only half what it appeared. He also stated that many of the new requirements are mandates beyond Bar Harbor's control and that residents of our rural areas are subsidizing the water customers through their property taxes.

## **VI. REGULAR BUSINESS:**

- A. Solid Waste: PERC Municipal Review Committee** – *Each fall, member towns have the opportunity to elect delegates to this commission.* Staff had no recommendations. There was no action taken.
- B. Water & Sewer Fee Commitment** - *Request of Town Manager for commitment of water and sewer fees to the Town Treasurer for collection.* Mr. Garland, with second by Ms. Schloss, moved to sign the Certificate of Commitment for Water and Sewer Fees. Motion passed 5-0.
- C. MDI High School** - *Possible appointment of Katherine Cavness to a term expiring on June 30, 2009.* Mr. Veilleux, nominated Katherine Cavness to a seat on the MDI School District Trustees expiring June 30, 2009. There being no further nominations, Ms. Cavness was duly appointed to the remaining portion of the term expiring June 30, 2009 by unanimous vote (5-0).
- D. Marine Resource Committee** - *Possible appointment of Scott Swann for one of three seats which has an expiring term of June 30, 2011.* Mr. Veilleux nominated Scott Swann for one of the seats on the Marine Resource Committee with a term expiring June 30, 2011. There being no further

nominations, Mr. Scott Swann was duly appointed to a seat with the term expiring June 30, 2011 by unanimous vote (5-0).

- E. Parks & Recreation Committee – Possible appointment of Deborah Page** *for the one seat with the expiring term of June 30, 2009.* Mr. Veilleux nominated Deborah Page for the Parks & Recreation Committee seat with the expiring term of June 30, 2009. Ms. Schloss commented that Ms. Page had not read the enabling ordinance. There being no further nominations, Ms. Page was duly appointed to the seat with the expiring term of June 30, 2009 by unanimous vote under the proviso that Ms. Page read the enabling ordinance (5-0).

- F. Committee Consultations: Economic Development Task Force –Pat Samuels,** Chair of the EDTF reported that they are working on the proposed West Street development project. They have met jointly with the Planning Board, and Design Review Board and Eben Salvatore. The EDTF strongly supported the proposed garage development with the Town retaining ownership, allowing it to be an income generating source, offering pedestrian safe access, all day parking, providing delivery access and allowing a number of town controlled spaces, with the hope that it will be long-lasting and outlive the bond issue. They also have been discussing redistricting the zoning in the downtown area, encouraging use of existing buildings for business and adjusting zone boundaries to follow lot lines.

Ms. Schloss commented that she was glad to see the Committee and developer working together.

- G. Police Body Armor Grant Program – The Town Manager requests passage of a motion to accept a \$2,082 grant from the U.S. Department of Justice for the purchase of police officer body armor.** Mr. Veilleux, with second by Ms. Schloss, moved to accept the \$2,082 grant from the U. S. Department of Justice for the purchase of police officer body armor. Motion passed 5-0.

- H. Fund Balance Policy – The Town Manager requests the passage of a motion that the Town, in accordance with its Fund Balance Policy, designate in the Unreserved Fund Balance section of the General Fund an amount equal to \$1,488,000 to be labeled “Designated for Working Capital”.** Mr. Veilleux, with a second by Ms. Schloss, moved that the Town, in accordance with its Fund Balance Policy, designate in the Unreserved Fund Balance section of the General Fund an amount equal to \$1,488,000 to be labeled “Designated For Working Capital”. Motion passed 5-0.

- I. Investment Policy – The Town Manager requests passage of a motion to adopt the revised Investment Policy as proposed.** Mr. Veilleux, with second by Ms. Schloss, moved to adopt the revised Investment Policy as proposed. Motion passed 5-0.

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## **Investment Policy**

Town of Bar Harbor

11-18-08

This policy is to serve as a restrictive guideline for the Treasurer of the Town of Bar Harbor for the investment of public funds of the Town from its General Fund, Sewer Fund, Water Fund, C.I.P. Fund, or any Bond or Tax Anticipation Notes outstanding.

The legal authority as to what the Municipal Officers may invest or not invest in is outlined in Title 30-A, Section 5706, MRSA. However, the purpose of this policy is to further restrict the investment options delegated to the Treasurer. The focus is to **safeguard** the principal as well as to maintain **liquidity** for invested funds rather than prioritizing a maximum **yield** on those investments against increased risk.

Investment decision making order shall be **Safety**, then **Liquidity**, and finally, **Yield**.

The Municipal Officers delegate the authority to the Town Treasurer to invest funds only in the following instruments:

- 1) **Direct U.S. Treasury Bills** (less than 1 yr). For longer term investing, **U.S. Treasury Notes** (1-5 yrs) may be used.
- 2) **Certificates of Deposit**-up to \$250,000 per bank with FDIC coverage from the five local banks listed.
  - a) Bar Harbor Banking & Trust Co.
  - b) The First
  - c) Machias Savings Bank
  - d) Camden National Bank
  - e) Bar Harbor Savings and Loan
- 3) **Overnight Repurchase Agreement or Deposit Accounts**-investment contract with the bank which handles the Town's operating account and is secured by U.S. Securities or U.S. Agency funds that are held by a third party. Funds in excess of \$250,000 can also be insured by a third party "AAA" rated insurance certificate.
- 4) **Investment Management Agreement** - use of a bank's investing arm or trust department to invest reserve funds (such as CIP Fund) and trust funds in appropriate investments, as allowed under Title 18-MRSA Section 7-302, using the "rule of prudence" authority.
- 5) **Local Government Investment Pools (LGIP)** - LGIP's must be registered with the State Banking Commissioner and invested in compliance with Title 30-A and only in short term money market securities. The pool will have an aggregate weighted average of maturity of less than 90 days. All funds are to be held by a third party custodian in the name of the participating public unit.
  - a) MBIA Municipal Investors Service Corporation (Maine public sector program)
- 6) **Interest Bearing Checking Account** – up to \$250,000 per bank with FDIC coverage from the five banks listed in item#2.
- 7) **CDARS Investments Option** – CDARS stands for Certificate of Deposit Account Registry Service and allows a participating bank to accept deposits in the form of certificate of deposit time investments in excess of \$250,000 and still enjoy full FDIC insurance protection.

The maturity dates of investments shall not exceed the time frame that the municipality anticipates it will need the use of such funds. The Treasurer shall maintain only required operating cash on hand and will be aware of the cash flow needs of the Town at all times prior to mak-

ing such investments. Investment of funds shall be diversified to the extent investments are made beyond direct U.S. Treasury securities.

An accounting of the Town's cash and investments shall be made monthly to the Manager and Town Council.

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**J. FY08 Audit** – *Report of auditor James W. Wadman, CPA.* James Wadman and Ms. Lynch briefly reviewed the FY08 Audit, summarizing that there was no need of a Management Letter from his firm and noted that Bar Harbor has “always had things in order” for them to perform the audit and that next year the audit will include line items for the State and Federal Grants. Mr. Veilleux, with second by Ms. Schloss, moved to accept and file the audited financial statements for the fiscal year ending June 30, 2008. Motion passed 5-0.

**K. Budget Appropriation Transfers:**

**1. Elections** – *Request of the Manager for a transfer of \$2500 from the Contingency account to the Elections account due to very heavy voter turnout for the General Election.*

Mr. Veilleux, with second by Ms. Schloss, moved to transfer \$2,367 from the Contingency account to various Election cost center accounts, to be allocated as follows:

1020-5110	Staff Wages:	\$196
1020-5376	Wages:	\$1,192
1020-5418	Forms & Ballots:	\$896
1020-5430	Operating Supplies:	\$83

Motion passed 5-0.

Dana Reed recognized Town Clerk Patricia Gray and her efforts in training the election workers to allow the election-day process to go as smoothly as possible. Julia Schloss also commended Pat Gray and Jane Iverson and all the election workers for their efforts on Election Day.

**2. Shelter Generator** – *Request of the Manager for a transfer of \$7433 from CIP fund balance to the CIP Shelter Generator account due to higher than expected bids.* Mr. Veilleux, with second by Ms. Schloss, moved to transfer \$7,433 from the CIP unreserved & undesignated fund balance to the CIP Shelter Generator account #2149-6243, due to higher than expected bids. Motion passed 5-0.

**L. Charter Commission –**

**1. Process** - Mr. Reed briefly explained that six members were elected on November 4<sup>th</sup> and the Town Attorney advised advertising for the remaining 3 seats, which has been done. Applications are due Tuesday, November 25<sup>th</sup> with appointments to be made at the December 2<sup>nd</sup> meeting in order to comply with the 30-day time limit.

- 2. Funding – Request of the Manager for a motion to transfer an appropriation of \$100 from the General Fund Contingency account to a new Charter Commission account.** Mr. Veilleux, with second by Ms. Schloss, moved to transfer an appropriation of \$100 from the General Fund Contingency account to a new Charter Commission Account. Motion passed 5-0
- M. High School Funding Formula Forum – Review of details for the island-wide forum on the formula for sharing high school expenses, scheduled for December 4 at 7:00 p.m. in the MDIHS Higgins-Demas Theater.** Ruth Eveland urged all members of the community to attend this forum which she anticipates to be a very lively discussion
- N. Town Meeting: June 2009 – Request of the Town Manager for approval of a timeline to be used for preparation of Land Use Ordinance amendments for the June Primary Election.** Mr. Veilleux, with second by Ms. Schloss, moved to adopt the “Land Use Ordinance Timeline for June 9, 2009 Annual Town Meeting” as submitted. Motion passed 5-0.
- O. Council Meeting Schedule – Review and possible approval of the meeting schedule for 2009.** Mr. Veilleux, with second by Ms. Schloss, moved to adopt the Council Meeting Schedule for 2009 as proposed. Motion passed 5-0.
- P. Treasurer’s Warrant – Request of Treasurer to authorize paid bills.** Mr. Veilleux, with second by Ms. Schloss, moved to sign the Treasurer’s Warrant for paid bills. Motion passed 5-0.

## **VII. COUNCIL COMMENTS AND SUGGESTIONS FOR NEXT AGENDA**

**Mr. Veilleux** mentioned that he wanted to thank the voters for their participation in coming out to vote in such large numbers for the election.

**Ms. Schloss** wanted to remind everyone about the Stakeholders Meeting, on December 2<sup>nd</sup>, at 8:30 p.m.

**Ms. Eveland** wanted to remind everyone to finish their NIMS training, and she also mentioned the Hancock County informational meeting on the Budget November 25<sup>th</sup> at 6 PM.

**Mr. Garland** was pleased to report that, with favorable citizen participation, he expected to see the speed limit dropped in the Town Hill area soon.

## **VIII. MATTERS FOR POSSIBLE EXECUTIVE SESSION:**

- A. Hadley Point – Consideration of the acquisition or disposal of real property or rights therein. (To be held in executive session as permitted by 1 MRSA 405.6.C, since premature disclosure of this information would prejudice the competitive or bargaining position of the Town.)** Mr. Veilleux, second by Ms. Schloss moved to go into executive session as permit-

ted by 1 MRSA 405.6.C, since premature disclosure of this information would prejudice the competitive or bargaining position of the Town. Motion passed 5-0. Following a break, Council entered into executive session. No action was taken at this time.

**B. Land Acquisition Disposal** – *Consideration of the acquisition or disposal of real property or rights therein. (To be held in executive session as permitted by 1 MRSA 405.6.C, since premature disclosure of this information would prejudice the competitive or bargaining position of the Town.) .)* Mr. Veilleux, second by Ms. Schloss moved to be held in executive session as permitted by 1 MRSA 405.6.C, since premature disclosure of this information would prejudice the competitive or bargaining position of the Town. Motioned passed 5-0. Council entered into executive session. No action was taken at this time.

**C. Town Manager's Performance Evaluation** – *(To be held in executive session as permitted by 1 MRSA 405.6.A for discussion or consideration of a personnel matter.)* – Mr. Veilleux, with second by Ms. Schloss, moved to go into executive session as permitted by 1 MRSA 405.6.A for discussion or consideration of a personnel matter. Motion passed 5-0. Council came out of executive session at 9:13 p.m. No action was taken at this time.

**IX. ADJOURNMENT** – Ms. Schloss, with second by Mr. Garland, moved to adjourn at 9:15 p.m. Motion passed 5-0.

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Robert Garland,  
Secretary Pro Tem